LPL Financial

Investor Day 2013

November 12, 2013

Westin Grand Central

New York, NY

Investor Day 2013

LPL Financial

Trap Kloman – Senior Vice President | Investor Relations

Safe Harbor Disclosure

Statements in this presentation regarding LPL Financial Holdings Inc.'s (the “Company”) future financial and operating results, plans, strategies, goals, future market position, ability and plans to repurchase shares and pay dividends in the future, including statements relating to future efficiency gains, scale and projected expenses and savings as a result of the Service Value Commitment (the “SVC”) or other initiatives, ability and plans to deliver technology functionality, features or upgrades, future growth, market share and insured cash account portfolio, including the statements on the slides entitled “Shift to advisory creates margin opportunities”, “Normalized interest rates will bring financial benefits”, “Investment in technology and Service Value Commitment position us for future efficiency”, “Managing growth through smart investment and simplicity and productivity initiatives”, “Strategy execution drives outsized earnings performance” and “Capital-light model generates significant free cash flow, expanding discretionary capital”, as well as any other statements that are not related to present facts or current conditions or that are not purely historical, constitute forward-looking statements. These forward-looking statements are based on the Company's historical performance and its plans, estimates and expectations as of November 12, 2013. Forward-looking statements are not guarantees that the future results, plans, intentions or expectations expressed or implied by the Company will be achieved. Matters subject to forward-looking statements involve known and unknown risks and uncertainties, including economic, legislative, regulatory, competitive and other factors, which may cause actual financial or operating results, levels of activity, or the timing of events, to be materially different than those expressed or implied by forward-looking statements. Important factors that could cause or contribute to such differences include: finalization and execution of the Company’s plans related to the SVC, including the Company’s ability to successfully transform and transition business processes to third party service providers; the Company’s success in negotiating and developing commercial arrangements with third party service providers that will enable the Company to realize the service improvements and efficiencies expected to result from the SVC or other initiatives; the performance of third party service providers to which business processes are transitioned from the Company; finalization and execution of the Company’s plans related to technology, including the Company’s ability to successfully integrate technology from third party technology providers; the Company’s success in negotiating and developing commercial arrangements with third party technology providers that will enable the Company to realize the improvements and efficiencies expected to result from such technology, including with respect to supervision and oversight of advisor activities; the Company’s ability to control operating risks, information technology systems risks and sourcing risks; changes in general economic and financial market conditions, including retail investor sentiment; fluctuations in the value of assets under custody; effects of competition in the financial services industry; changes in the number of the Company's financial advisors and institutions, their ability to market effectively financial products and services, and the success of the Company’s initiatives designed to engage them; changes in interest rates and fees payable by banks participating in the Company's cash sweep program, including the Company's success in negotiating agreements with current or additional counterparties; the Company's success in integrating the operations of acquired businesses; the effect of current, pending and future legislation, regulation and regulatory actions, including disciplinary actions imposed by self-regulatory organizations; and the other factors set forth in Part I, “Item 1A. Risk Factors” in the Company's 2012 Annual Report on Form 10-K as may be amended or updated in our quarterly reports on Form 10-Q. Except as required by law, the Company specifically disclaims any obligation to update any forward-looking statements as a result of future developments, even if its estimates change, and you should not rely on those statements as representing the Company's views after November 12, 2013.

Non-GAAP Financial Measures

Adjusted Earnings represent net income before: (a) employee share-based compensation expense, (b) amortization of intangible assets resulting from various acquisitions, (c) debt extinguishment costs, (d) restructuring and conversion costs, (e) equity issuance and related offering costs and (f) other. Reconciling items are tax effected using the income tax rates in effect for the applicable period, adjusted for any potentially non-deductible amounts. Adjusted Earnings per share represents Adjusted Earnings divided by weighted average outstanding shares on a fully diluted basis. The Company prepares Adjusted Earnings and Adjusted Earnings per share to eliminate the effects of items that it does not consider indicative of its core operating performance. The Company believes these measures provide investors with greater transparency by helping illustrate the underlying financial and business trends relating to results of operations and financial condition and comparability between current and prior periods. Adjusted Earnings and Adjusted Earnings per share are not measures of the Company's financial performance under GAAP and should not be considered as an alternative to net income or earnings per share or any other performance measure derived in accordance with GAAP, or as an alternative to cash flows from operating activities as a measure of profitability or liquidity.

Adjusted EBITDA is defined as EBITDA (net income plus interest expense, income tax expense, depreciation and amortization), further adjusted to exclude certain non-cash charges and other adjustments set forth in the table above. The Company presents Adjusted EBITDA because the Company considers it a useful financial metric in assessing the Company's operating performance from period to period by excluding certain items that the Company believes are not representative of its core business, such as certain material non-cash items and other adjustments that are outside the control of management. Adjusted EBITDA is not a measure of the Company's financial performance under GAAP and should not be considered as an alternative to net income or any other performance measure derived in accordance with GAAP, or as an alternative to cash flows from operating activities as a measure of profitability or liquidity. In addition, Adjusted EBITDA can differ significantly from company to company depending on long-term strategic decisions regarding capital structure, the tax jurisdictions in which companies operate and capital investments.

You can find additional related information, including a reconciliation of such non-GAAP measures, in the Investor Relations section of our website at www.lpl.com.

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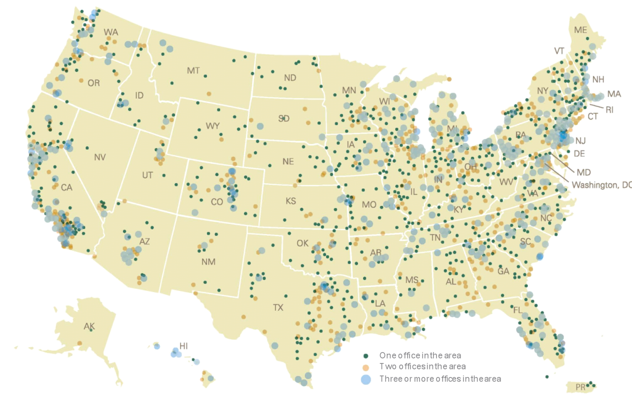
LPL Financial

Mark Casady – Chairman and CEO

The LPL Financial Opportunity

LPL Financial is an established industry leader

- **13,563** advisors
- **$415 billion** in advisory & brokerage assets
- **4th largest** brokerage firm[1]
- **$55 billion in assets** with our fully integrated Hybrid RIA offering
- **$92 billion in retirement assets**; leading provider to over 35,000 retirement plans



[1] Based on number of advisors reported from publicly disclosed information as of September 30, 2013

We serve a fundamental and growing need

Our Mission

We believe that objective financial advice is a fundamental need for everyone. We enable our clients to focus on what they do best—create the personal, long-term relationships that are the foundation for **turning life's aspirations into financial realities**.

Strong performance since IPO

Business Performance	Financial Performance
Added 1,119 net new advisors	Grew AUM by 31%
Initiated retirement plan solution	Increased advisory AUM from 29% to 34% of total AUM
Accelerated RIA and HNW growth	Grew Hybrid RIA assets 293% to $55 bn
Launched Service Value Commitment	Repurchased 14.3 mm shares
Established next-generation leadership team	Distributed $285 mm in dividends

Note: Based on growth and developments since 12/31/10

The LPL Financial opportunity

Focus	Capturing the opportunity
Grow Revenues	**Leveraging our differentiated value proposition** to attract, grow and retain advisor business
Create Efficiencies	**Unlocking value** with technology by driving productivity, engagement and risk management
Enhance Risk & Compliance Culture	Investing in functions and controls to **manage complexity** across the enterprise
Strengthen the Financial Opportunity	Positioning to drive **outsized earnings performance** by executing on our strategy

Agenda

Speaker	Topic
Dan Krems, Executive Vice President of Corporate Strategy	Winning in the Marketplace
Derek Bruton, Managing Director, Independent Advisor Services	Growing Revenue
Victor Fetter, Chief Information Officer	Creating Efficiencies
Michelle Oroschakoff, Chief Risk Officer	Enhancing Risk and Compliance Culture
Robert Moore, President	Creating Value for Sponsors: A panel discussion Bill Glavin, CEO, Oppenheimer Funds Bob Reynolds, CEO, Putnam Investments Nick Lane, Senior Executive Director and Head of US Life and Retirement, AXA Equitable
Dan Arnold, Chief Financial Officer	Strengthening the Financial Opportunity

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Dan Krems - Executive Vice President, Corporate Strategy

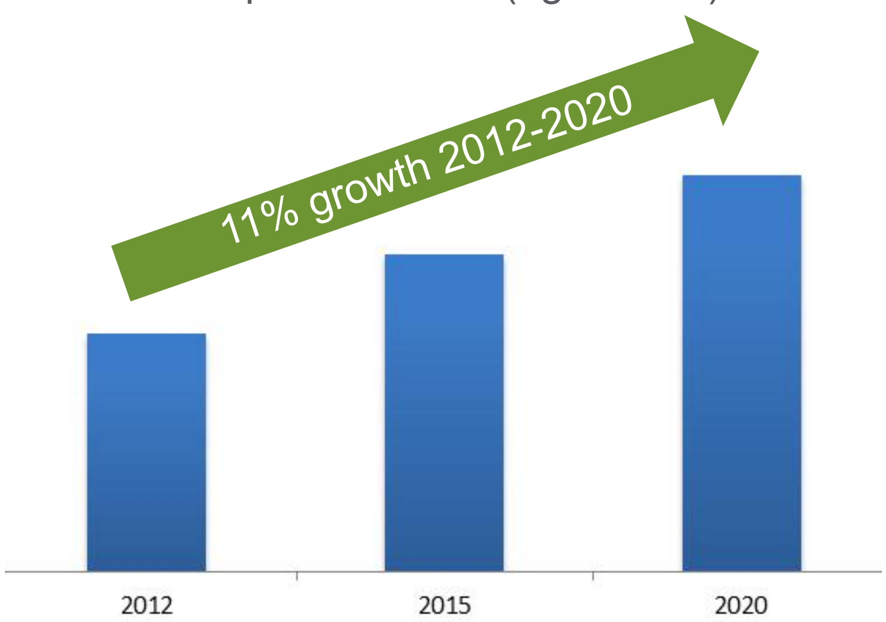
Winning in the Marketplace: Building a Smarter, Simpler, More Personal LPL

The market for retail advice is large and poised for growth

Investable assets = $19 trillion

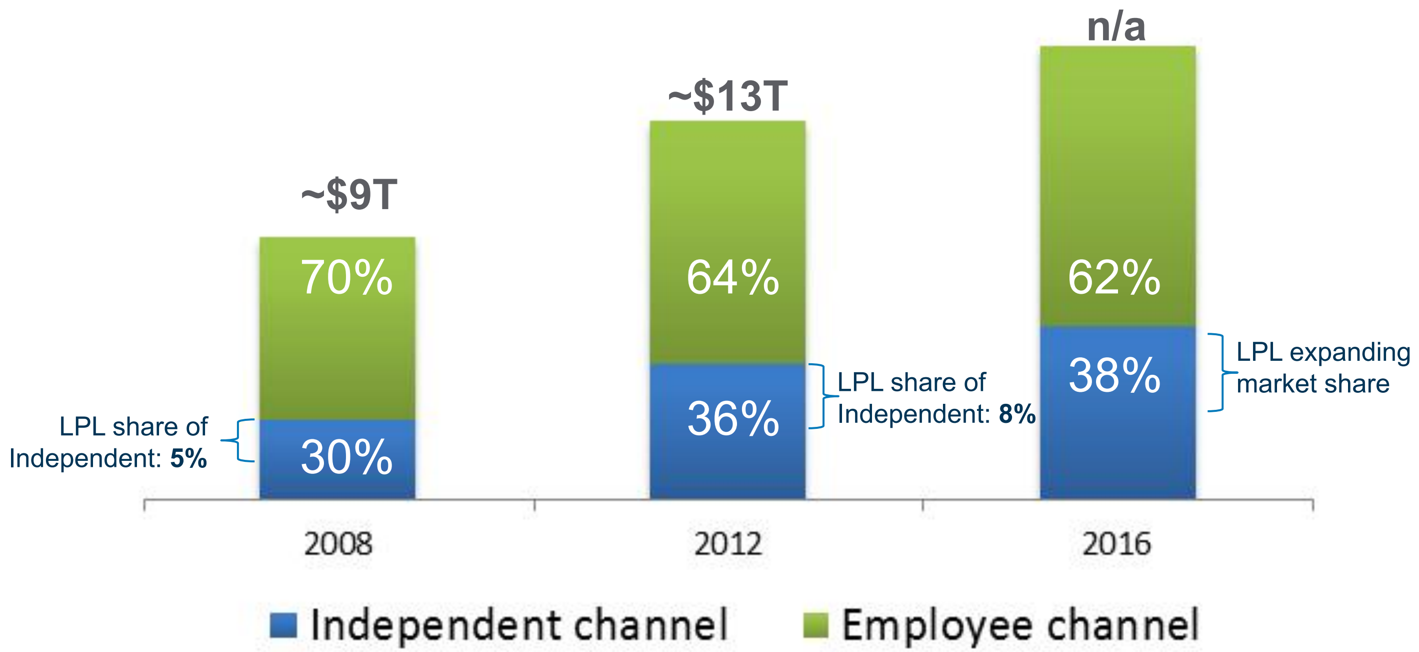
Source: Cerulli Quantitative Update: Advisor Metrics 2012

U.S. peak earners (age 55-64)



Note: 38.6M people between 55-64 years old are projected for year end 2012, 40.8M for 2015, 42.8M for 2020. Peak earner demographics are based on Census forecasts.

The march toward independence continues

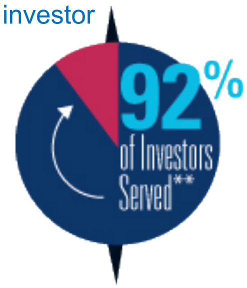


Source: Cerulli Quantitative Update: Intermediary Distribution 2012

Established scale and scope to drive positioning to win

Expanding scope

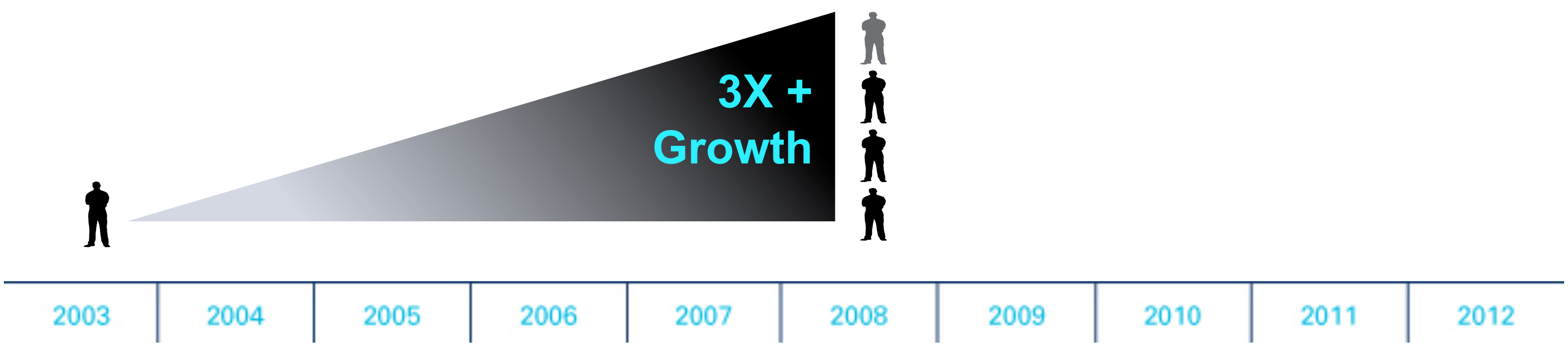
By investor



By advisor practice

- B/D & RIA Advisors
- Bank/Credit Union
- Retirement Practitioners
- Mass Affluent
- High Net Worth

Increasing scale



**LPL Financial is positioned to serve investors whose assets account for 92% of total retail assets. Market data per Cerulli Quantitative Update: Intermediary Distribution 2012

We are now building a smarter, simpler, more personal LPL

Focus on our footprint

Capitalize on continuing secular trend toward independent advice with a broad array of advisors serving the vast majority of investors

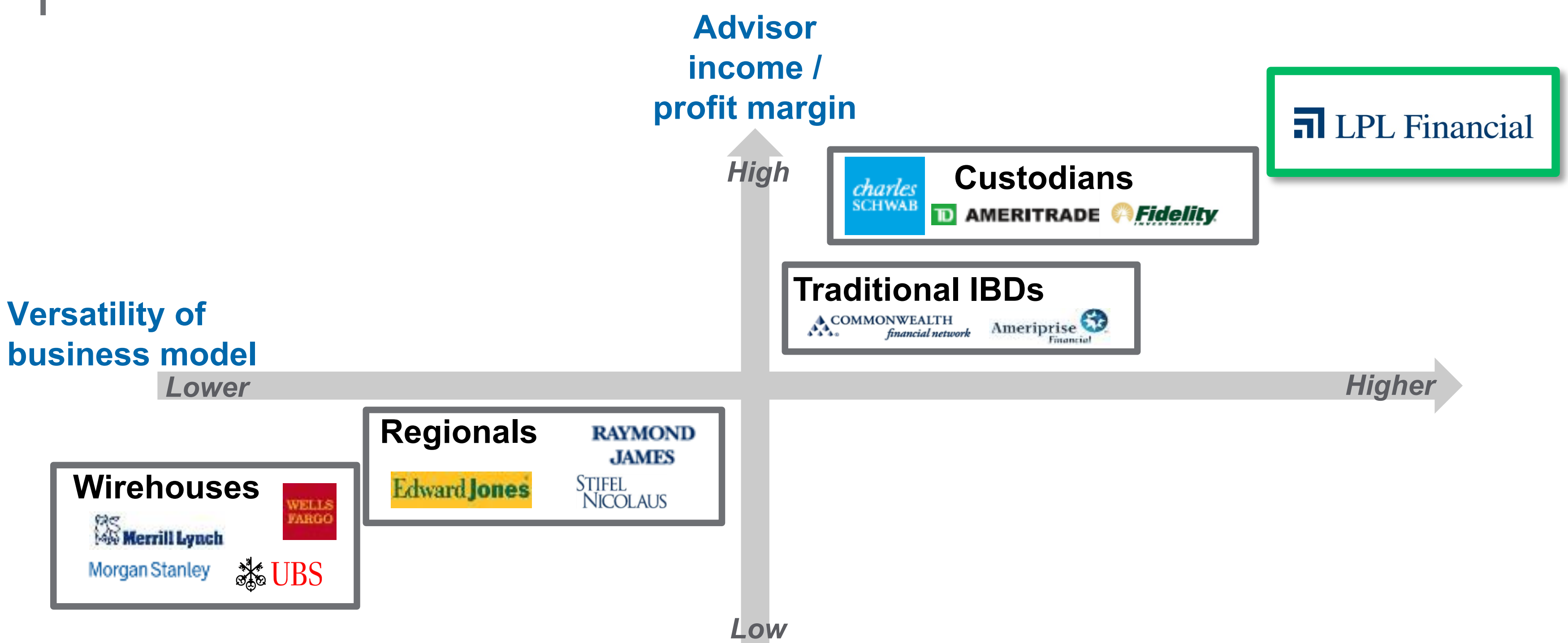
Drive to simplicity

Combine technology, automation and process simplification to improve efficiency in our advisors' businesses and our own

Unlock advisor productivity

Deliver a growing array of support functions and capabilities, enabling advisors to win more business and enhance client satisfaction

Platform versatility and compelling economics create a unique, competitive position

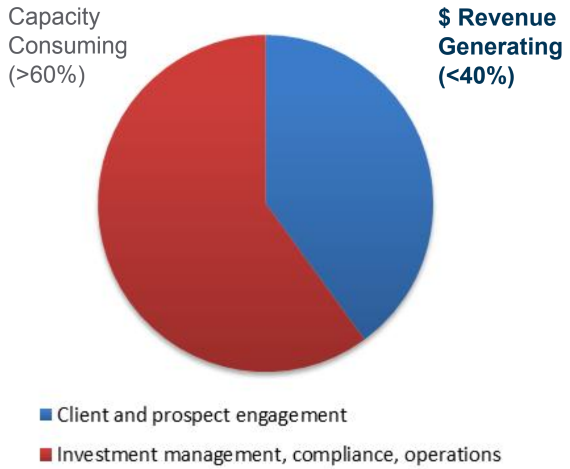


Strategy capitalizes on opportunities within our core business footprint

Markets	Drivers of opportunity	LPL Financial strategy
Independent advisors	Consumer preference for independence	Evolving diverse and comprehensive model
	Trend toward RIA / hybrid	Leveraging integrated solution
Financial institutions	Revenue diversification and operating efficiencies	Building upon 30% market share and expanding bank wealth management
Retirement plans	Shift from defined benefit to defined contribution	Monetizing advice for plans

We are unlocking additional value for advisors

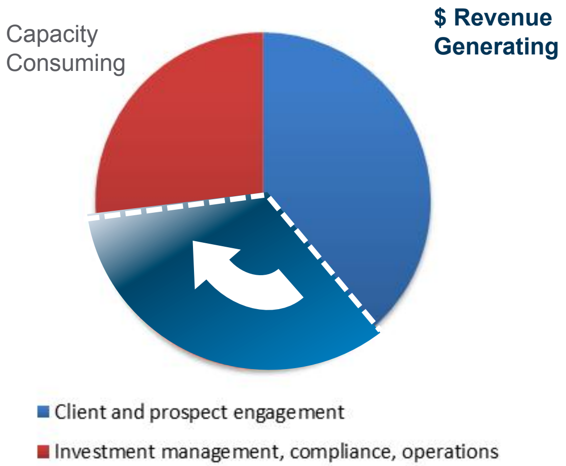
Current Advisor Time Spend



Our Key Ingredients

1. Consultative practice management
2. Scalable investment platforms
3. Integrated technology
4. Robust service & compliance

Increased Productivity



Source: Internal LPL Financial study

LPL empowers advisors to serve an evolving and increasingly complex set of investor needs

	Prior Client Service Paradigm		New Client Service Paradigm
	Executing transactions	❯	Providing advice
	Picking investments	❯	Managing portfolios
	Answering investment questions	❯	Creating financial plans
	Helping save for retirement	❯	Ensuring financial security
	Returning calls	❯	Communicating frequently and proactively
	Handling paperwork	❯	Supporting a digital experience

Our strategy will reward our advisors and our shareholders

Our Advisors

- Increased efficiency
- Greater productivity
- Higher profitability and satisfaction

LPL Financial

- Improved operational efficiency
- Sustained growth
- Outsized financial performance

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Derek Bruton – Managing Director, Independent Advisor Services

Growing Revenue

The LPL Financial opportunity

Focus	Capturing the opportunity
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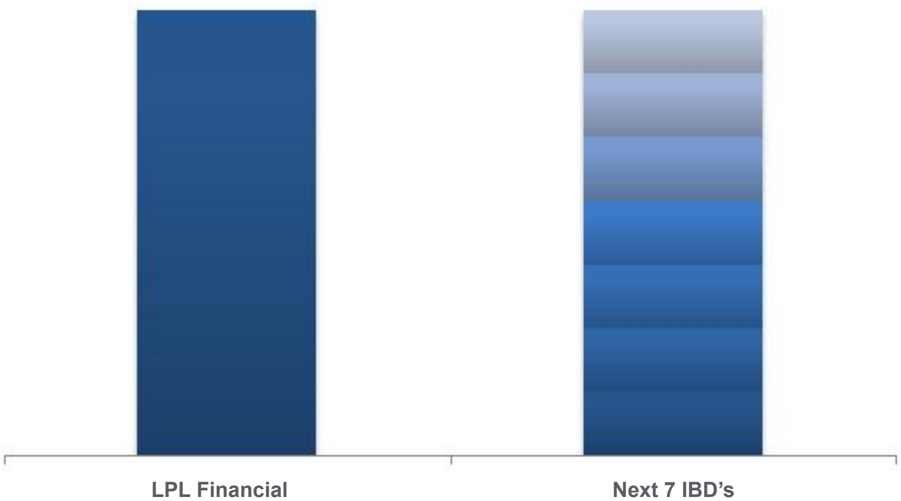
Our strategy is positioned to drive advisor productivity and satisfaction and attract new business

Attract

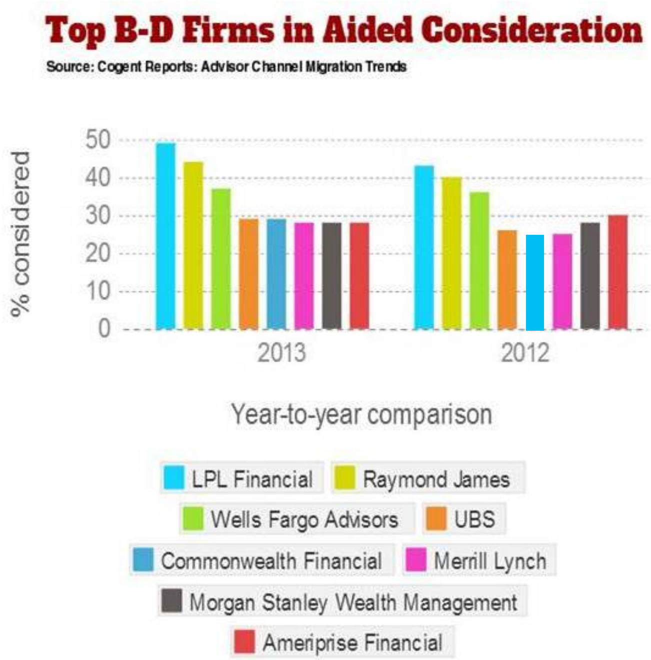
Our differentiated business model wins in the marketplace

Capture of advisors in motion

LPL Financial's success in 2012 is equivalent to the next 7 IBD's combined



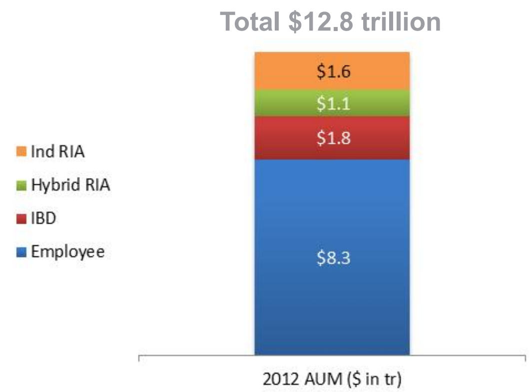
#1 destination for advisors looking to move

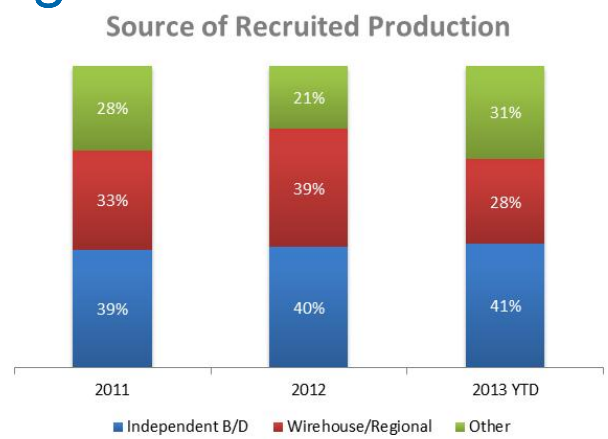


Source: Discovery Database B/D Rep Movement Study, Dec 2012

Source: Cogent 2013 Advisor Migration Trends

Our recruiting opportunity set is significant





Markets	IBD	Hybrid	RIA	Employee
LPL position	Market leader	Market leader	Minimal presence	Target breakaways
Recruiting opportunity	Flight to quality	Leverage differentiated platform	Evolve platform to address	Shift to independence
Competitors	Raymond James, Commonwealth, Ameriprise	Minimal direct competition	Schwab, TD Ameritrade, Fidelity	IBD's, custodians

Industry AUM Source: Cerulli Quantitative Update: Advisor Metrics 2012

Grow

Broad capabilities drive advisor productivity

Comprehensive solution serving an array of advisor practices simplified by a single point of contact with deep knowledge of an advisor's business

Grow

LPL advisors who fully utilize our capabilities outperform those who don’t

Advisor need	LPL Financial Solution
Support transition to advisory	Investment & planning solutions
Identify best practices	Business consulting
Win new business	Marketing
Technology that creates efficiencies and drives productivity	Integrated solutions
Asset-allocation strategies and due diligence	Research

Benefits

- Reallocation of time
- Higher asset flows
- Improving margins
- Lower administrative costs

Grow

Segmented approach to delivering capabilities creates a more personal advisor experience and drives adoption

Execution

- Recognize not every advisor is the same
- Segment advisor base to gain insight into needs and key characteristics
- Analyze advisor profitability to determine the most valuable segments

Result

- Provide targeted advisors with more customized services
- Drive greater efficiency
- Improve advisor satisfaction and retention

Example Segments

- Legacy
- Emerging advisory
- Large producers
- New to industry
- Ramping
- Emerging brokerage
- Core
- Retirement plan

Retain

Our model provides flexibility as advisors mature and grow

Production retention has averaged 97% over the last 7 years

We are extending our market leadership

Expanding recruiting to attract new business	Investing in capabilities and segmenting delivery to drive adoption	Expanding solutions for large enterprises and succession planning

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Victor Fetter – Chief Information Officer

Creating Efficiencies

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Our integrated technology platform creates an end-to-end solution

Marketing & Prospecting

Client & Lead Management

Wealth & Investment Planning

Investment Execution

Monitoring & Servicing

Advisor Practice Solutions

Risk & Compliance

Brokerage & advisory custody

Self-clearing

Managed platform

Technology strategy simplifies business, increases efficiency, and creates value

We are taking a more nimble and responsive approach

The LPL Financial Way + #LPLDigitalLife

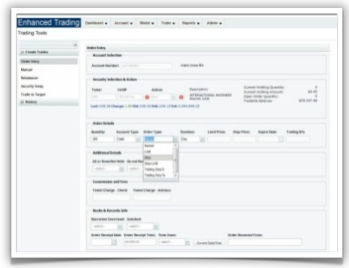
The LPL Financial Way		#LPLDigitalLife	
Smarter	• Capability based • Agile development • Predictive analytics	**Innovation**	• Patent program • Innovation days • Business intelligence practice
Simpler	• 120-day delivery increments • Clearer project priorities • Monthly KPI reporting	**Architecture**	• User experience • Reusability • Security
More Personal	• Product management team • 6x60 visits • Service360 job shadowing	**Talent**	• Added 90+ technology hires • 12 senior SVP's+ hired • Extended partner network

Advisor Productivity

Our solutions increase advisor productivity

Key deliveries

Streamlined Office



Enhanced Trading

LPL Financial Mobile

Success metrics

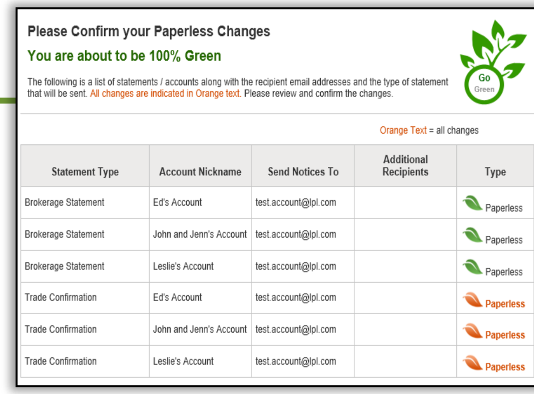
- 30% of advisor checks are deposited with remote deposit
- 520k total trades, generating 3x normal weekly trade volume since June
- 3,200+ mobile devices activated

New tools enhance investor engagement

Investor Engagement

Key deliveries

Account View



Please Confirm your Paperless Changes

You are about to be 100% Green

The following is a list of statements / accounts along with the recipient email addresses and the type of statement that will be sent. All changes are indicated in Orange text. Please review and confirm the changes.

Orange Text = all changes

Statement Type	Account Nickname	Send Notices To	Additional Recipients	Type
Brokerage Statement	Ed's Account	test.account@lpl.com		Paperless
Brokerage Statement	John and Jenn's Account	test.account@lpl.com		Paperless
Brokerage Statement	Leslie's Account	test.account@lpl.com		Paperless
Trade Confirmation	Ed's Account	test.account@lpl.com		Paperless
Trade Confirmation	John and Jenn's Account	test.account@lpl.com		Paperless
Trade Confirmation	Leslie's Account	test.account@lpl.com		Paperless

Go Green

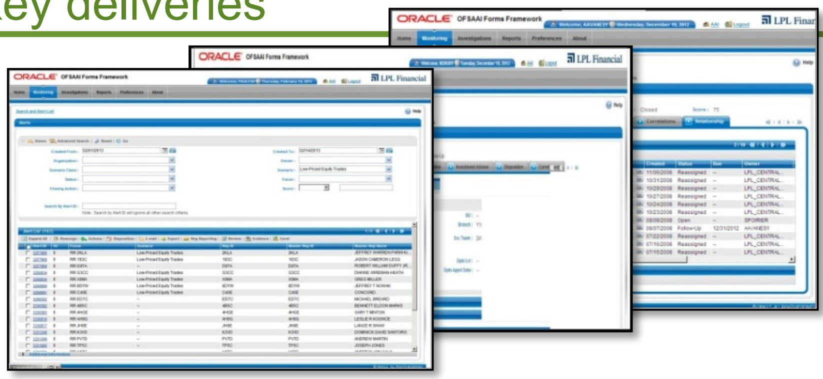
Success metrics

- 600,000+ combined advisor/client log-ins to Account View
- 2,700+ advisors branded Account View site
- Website hosting services through marketing
- 22,000+ clients are now 100% green with eligible documents
- 40% made the go-green election in the new Account View

Industry-leading software helps manage risk

Risk Management

Key deliveries



Success metrics

- Added efficiency through a single tool for all managed alerts
- Created foundational platform for other compliance and risk-management applications
- 30% reduction in overnight processing time
- Added more robust disaster recovery capability

Focus on employee tools makes their work easier

Key deliveries

New imaging and workflow

Equipment relevancy

Success metrics

- 300 workflows reduced to 40 through simplified image routing
- 80% faster image search than previous technology
- 1,000 new laptops/workstations deployed
- 2,000 laptops/workstations upgraded
- Enhanced mobility
- VOIP - 99.999% availability

Our technology strategy is unlocking value

Differentiating LPL

Simplifying business

Generating returns

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Michelle Oroschakoff – Chief Risk Officer

Enhancing the Risk and Compliance Culture

The LPL Financial opportunity

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LPL Governance, Risk & Compliance is delivering solutions that support our business and our advisors

Low-conflict model and robust controls environment

Advisor partnerships that drive efficiency and compliance

Centralized governance structure helps keep pace with changing regulatory environment

Controls

	Management Committee	Risk Oversight Committee	Governance & Risk Committees	Governance
Partnership	Risk & Supervisory Functions	Independent Compliance Oversight	Independent Control Functions	Control and monitor
	Business Units			Frontline management

A lower-risk model

Controls

Focus		Scale		
Retail investment advice	+	Integrated technology	=	LPL Financial
No proprietary products		Research		

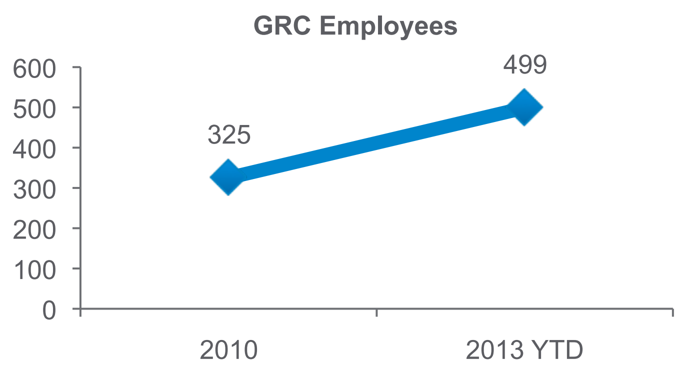
Robust compliance and risk capabilities delivered through integration of technology and specialized personnel

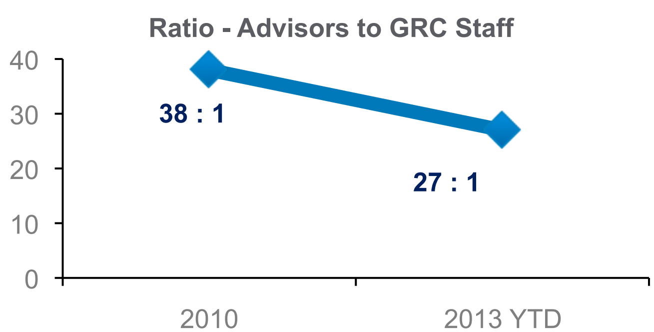
Controls

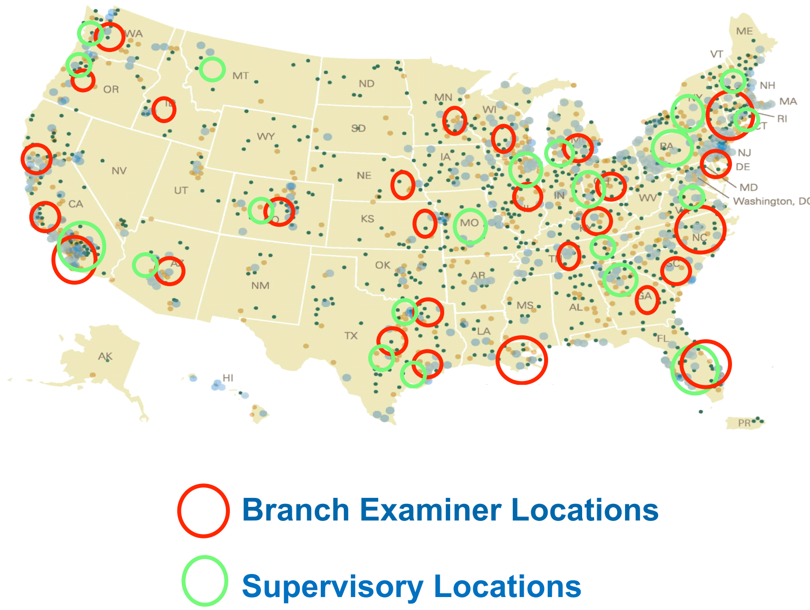
- **6,200 branch exams** conducted annually
- **8,500+ advertising/sales pieces** reviewed monthly
- Thousands of products have been approved for sale in conjunction with a robust **risk-based review and approval process** for sponsors and products
- **29,000+ documents imaged** monthly, automating this time-consuming process

We are increasing resources for regionally managed compliance and supervision

Controls







Oversight is tailored to advisors' business practices

Partnership

Advisors supervised directly by licensed branch manager or Home Office **supervisory principals**

Branch manager sales activities supervised by **experienced designated principals**

Complex product sales supervision by dedicated GRC team

GRC surveillance and branch exams provide oversight of supervision performed by branch managers, supervisory principals and designated principals

Additional control provided by assessment of branch manager supervision by GRC's **independent quality-control function**

All branches examined on a risk-based approach, 10%-15% unannounced

Potential **disciplinary matters reviewed** by Advisor Business Conduct Committee chaired by GRC

Needs-based approach reduces advisor complexity and drives efficiency

Partnership

Advisor need	LPL Financial solution
Identify suitable product	Risk and Research due diligence on new products
Process complex products	Dedicated team to review complex products
Maintain proper licensing	Robust onboarding process and ongoing automated alerts to ensure proper licensing
Utilize network of tools to interface with clients	Technology training
Ensure suitability and fiduciary standards are met	Review trades and portfolios for suitability and other criteria in accordance with regulatory framework
Stay abreast of regulatory change	Regular policy updates, advisor regulatory alerts and training
Create marketing material to grow business	Review and approval of advertising materials

LPL is focused on delivering independent advice in a low-conflict model

Low-conflict model and robust controls environment

Advisor partnerships that drive efficiency and compliance

Allows advisors to:

- Conduct business with confidence that they are operating within regulatory framework
- Offer the best and most appropriate products to investors
- Benefit from a capable and specialized Compliance and Risk network

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Creating Value for Sponsors: A panel discussion moderated by Robert Moore

Bill Glavin – CEO, OppenheimerFunds

Bob Reynolds – CEO, Putnam Investments

Nick Lane – Senior Executive Director and Head of US Life and Retirement, AXA Equitable

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Dan Arnold – Chief Financial Officer

Strengthening the Financial Opportunity

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We achieved strong growth since IPO despite interest-rate and G&A investment headwinds

Tailwinds → **Performance** ← **Headwinds**

Tailwinds

- Grew AUM to $415 bn (10% CAGR)
- Grew advisors to 13,563 (3% CAGR)
- Increased revenue $878 mm (9% CAGR)
- Repurchased 14.3 mm shares at WASP of $32.94

Performance

Adjusted EPS has grown from $1.71 to $2.31 (12% CAGR)

Headwinds

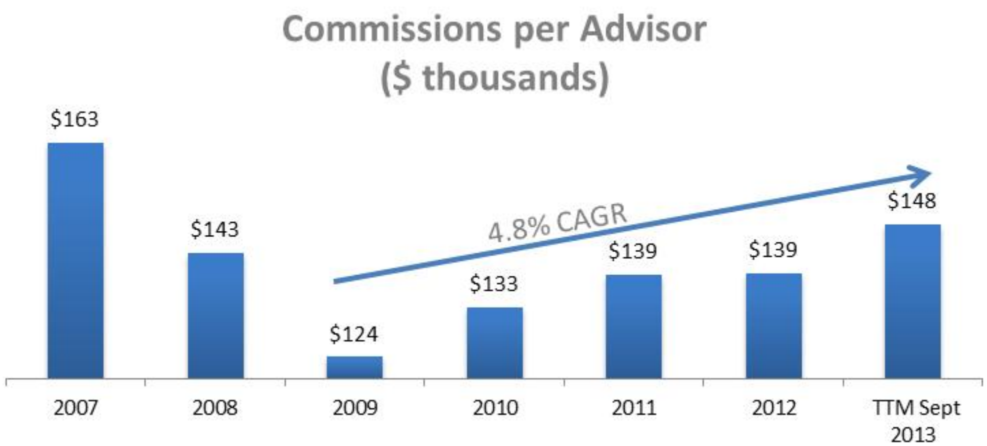
- Cash sweep fees declined ~10 bps, eliminating $24 million in pre-tax profit, reducing EPS by $0.13
- Core G&A CAGR of 10%

Note: Performance reflects growth from 12/31/10 through 9/30/13 on a trailing twelve-month basis where appropriate. Adjusted earnings per share ("Adjusted EPS") is a non-GAAP measure. For reconciliation of non-GAAP measures please consult the disclosures at the front of this presentation and in the Appendix of this presentation.

Going forward, strategy adoption positions LPL Financial for financial performance

Improving advisor efficiency leads to greater productivity

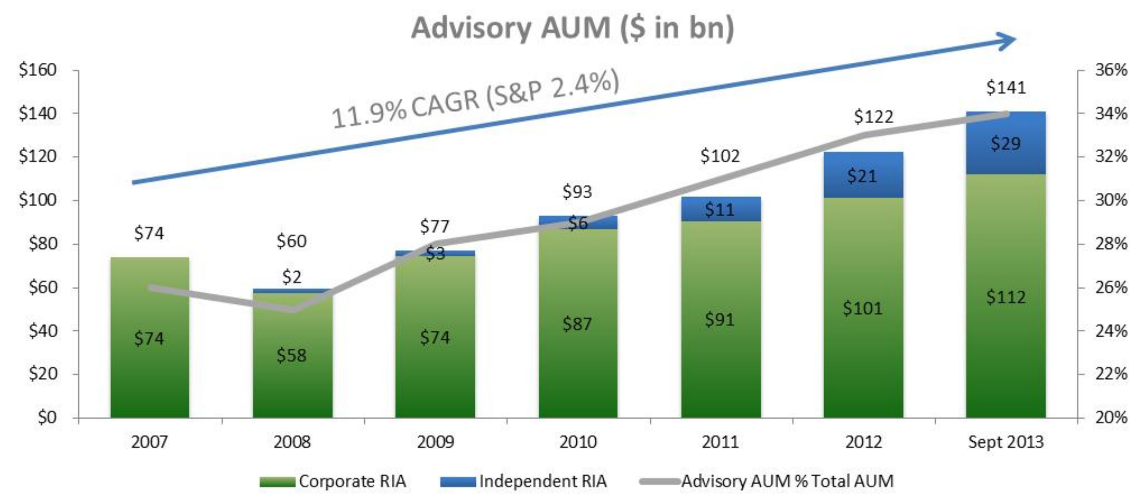
Increasing advisor productivity



- Q3 2013 annualized commission per advisor is $156k
- An incremental $5k in commissions per advisor would result in **$9 mm in incremental gross margin** based on current advisor count

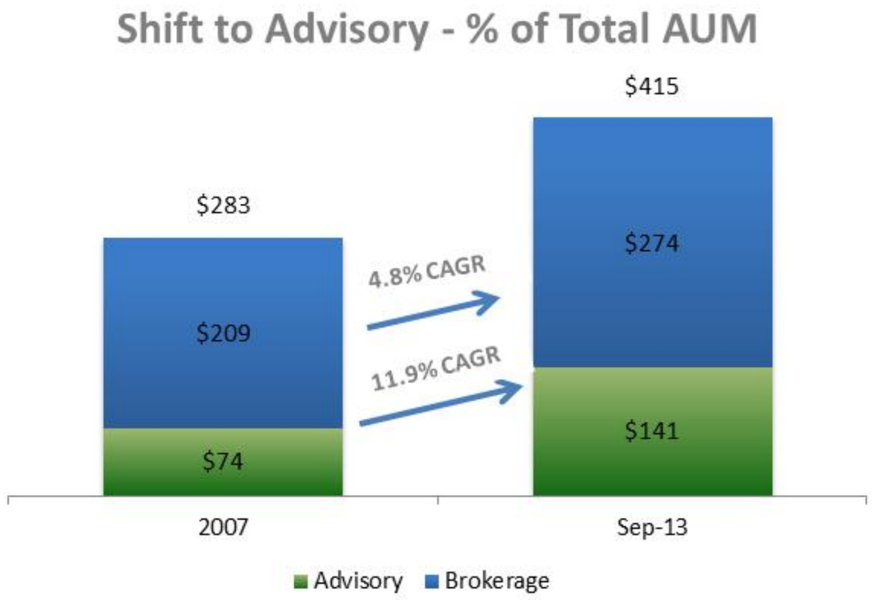
Differentiated offering and industry trends yield strong advisory asset growth

Increasing advisor productivity



- Additional net new advisory asset, ex-market, **growth of 8-10% annually**
- The launch of our **integrated independent RIA platform** has further accelerated advisory growth

Shift to advisory creates margin opportunities



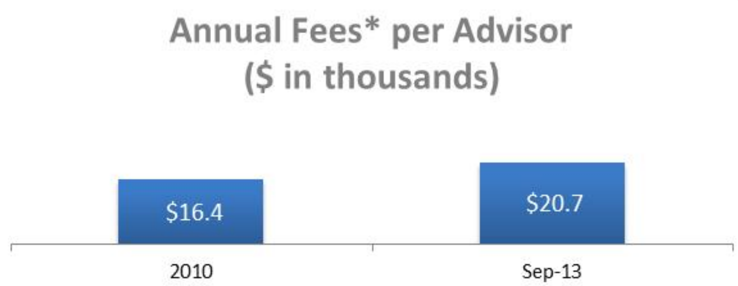
- Advisory AUM growth is over **2x faster** than brokerage, climbing from 26% to **34% of total assets**
- The gross margin ROA on advisory assets is ~35 bps, **1.4x greater** than brokerage AUM
- **A 5% shift** from brokerage AUM to advisory AUM would generate an **additional $21 million** in recurring gross margin

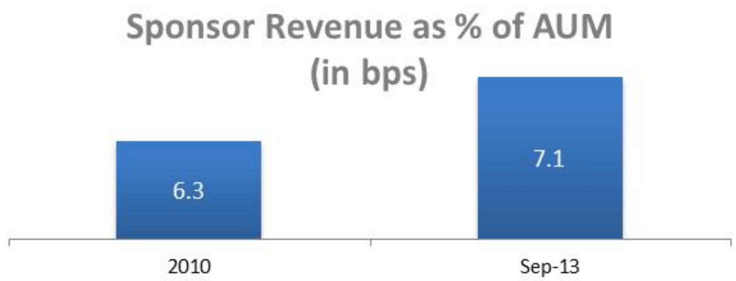
Note: Advisory gross margin ROA represents revenue from both advisory fees after production expense, and associated asset-based and transaction and other fees directly attributable to the Corporate and Independent RIA offerings. The Advisory gross margin ROA is based on the weighted average of the Corporate and Independent RIA assets. In the current interest-rate environment the Independent RIA gross margin ROA is less than the Corporate RIA gross margin ROA due to the higher concentration of ICA based assets. The weighted average Advisory gross margin ROA and the gross margin upside from a 5% shift to advisory are based on current asset levels.

Innovation leads to high-margin attachment revenue growth

Track record of innovation

- Conversion to omnibus recordkeeping
- Expansion of Plus Sponsor programs
- Salesforce CRM
- Advisory sponsorship revenue
- Premium technology revenue





Attachment revenue ex-cash has **increased from 17% to 23%** of advisor production since 2007

* Represents advisor and account fees based upon Transaction and Other Fees, less the transaction component

Unlocking embedded growth

Normalized interest rates will bring financial benefits

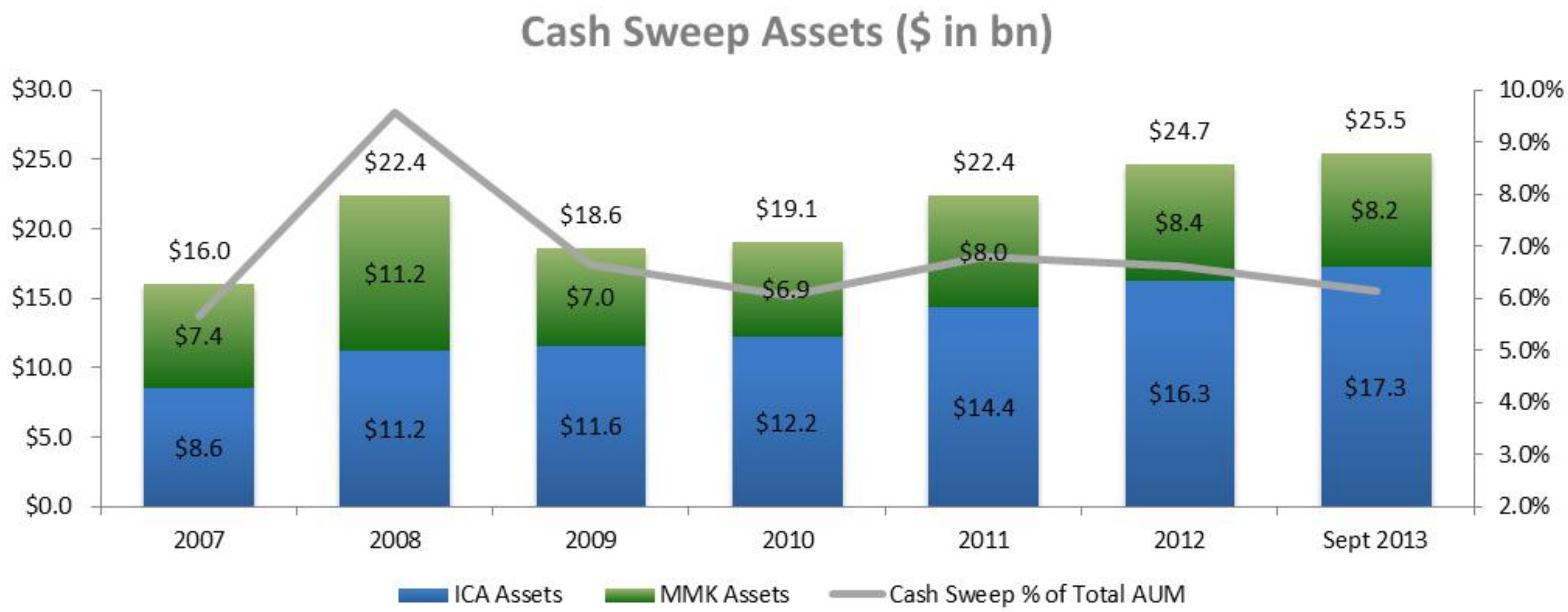
	ICA	MMF	Total
Assets ($ in bn)	$17.3	$8.2	$25.5
Current fee (bps)	65	6	46
Max fee (bps)	185	53	142
Annualized incremental pre-tax income ($ in mm)	$208	$39	**$246**

- EPS impact of ~**$1.40**
- Maximum fees are achieved when Federal Funds Effective rate (FFER) is **~250 bps**[1]
- ICA upside from FFER recognized incrementally and immediately as FFER improves

[1] If maximum bank spread fee compression occurs, the minimum FFER rate to maximize fees would increase up to approximately 345 bps

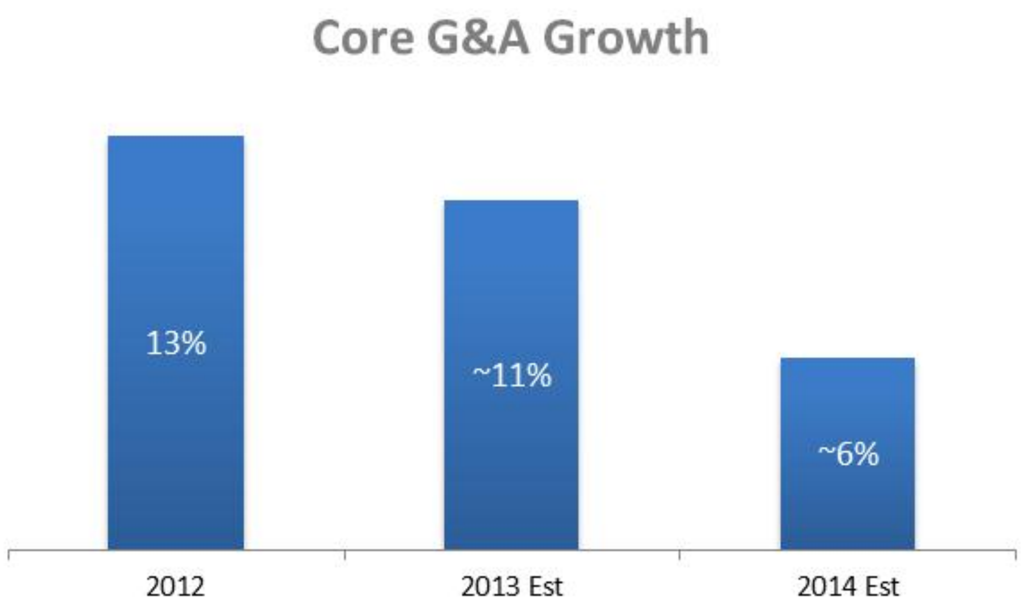
Unlocking embedded growth

Cash sweep assets stable as percent of growing AUM



Investment in technology and Service Value Commitment position us for future efficiency

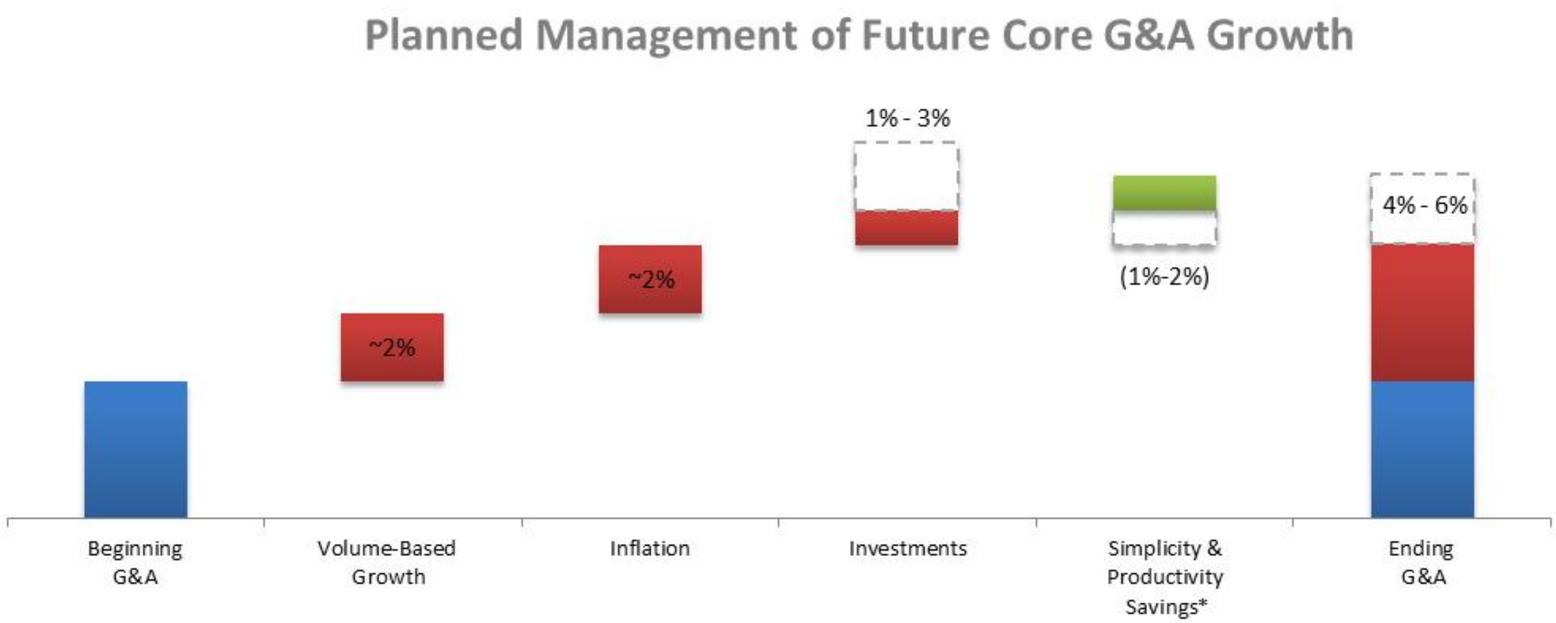
Achieving operational efficiency



Note: Core G&A is defined as compensation and G&A expenses excluding promotional expense, depreciation and amortization and items excluded in our determination of adjusted earnings.

Managing growth through smart investment and simplicity and productivity initiatives

Achieving operational efficiency



Note: Volume-related G&A growth may elevate when revenue growth exceeds 10%
* Simplicity & productivity savings from initiatives such as procurement and outsourcing

Achieving operational efficiency

Strategy execution drives outsized earnings performance

Adjusted EPS growth potential				
		Potential revenue growth		
		5%	10%	15%
Potential G&A Growth	4%	8%	23%	38%
	6%	4%	19%	35%
	8%	1%	16%	31%

Build on track record of growth since 2000:

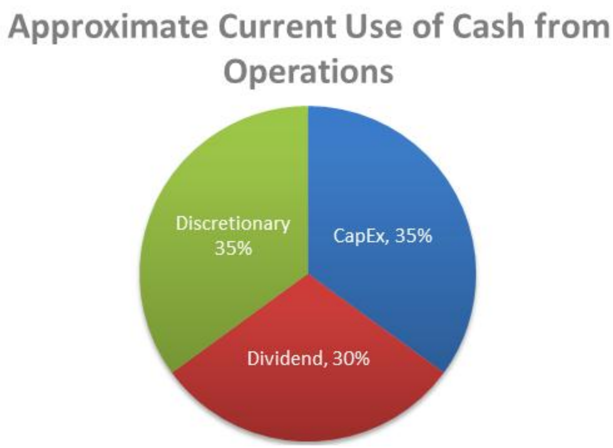
Revenue CAGR = 13%

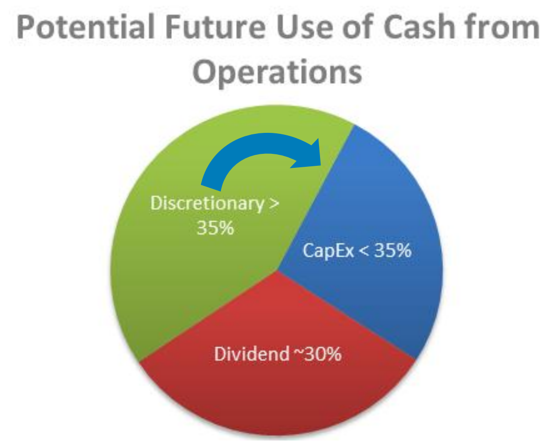
Adjusted EBITDA CAGR = 17%

Note: Adjusted EBITDA is a non-GAAP measure

Capital-light model generates significant free cash flow, expanding discretionary capital

Reinforcing capital light model





Cash from operations is approximately **55%** of Adjusted EBITDA

2x-3x leverage maintains optimal cost of capital

Note: Adjusted EBITDA is a non-GAAP measure. Cash from operations defined as change in cash available for corporate use before capital expenditures, dividends and share repurchases

Strategy adoption positions LPL Financial for financial performance

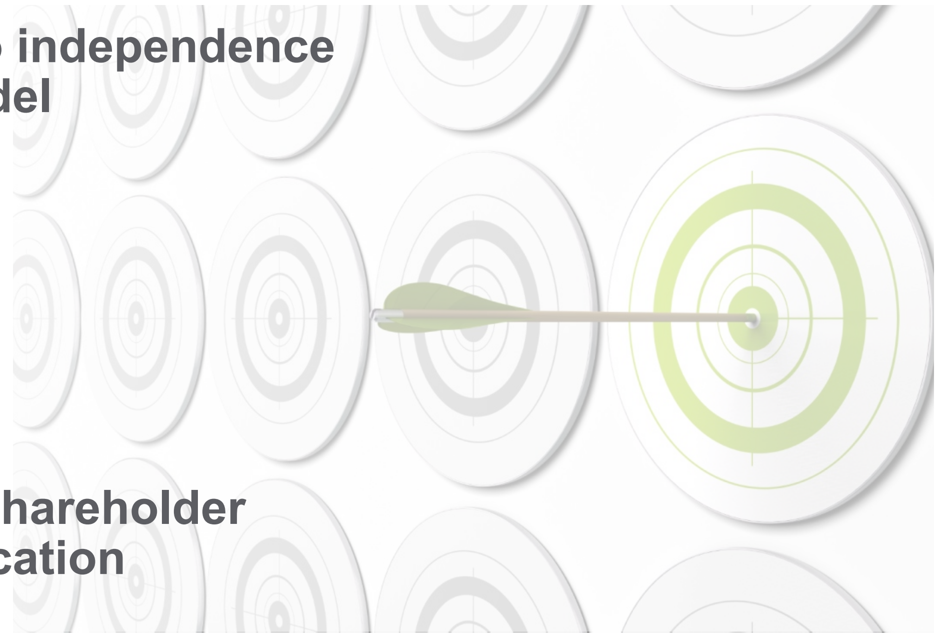
LPL Financial

Investor Day 2013

Compelling Investment Thesis

Compelling investment thesis

- **Capitalizing on industry move to independence with differentiated business model**
- **Increasing advisor productivity**
- **Driving operational efficiency**
- **Unlocking embedded growth**
- **Unique capital-light model and shareholder friendly approach to capital allocation**



Investor Day 2013

LPL Financial

Appendix

Adjusted Earnings reconciliation

The reconciliation from net income to Adjusted Earnings, a non-GAAP measure, for the periods presented is as follows (in thousands, except per share data):

	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
			(unaudited)		
Net income	$ 37,631	$ 45,091	$ 54,717	$ 36,938	$ 34,299
After-Tax:					
EBITDA Adjustments(a)					
Employee share-based compensation expense(b)	2,153	3,200	2,902	2,831	3,357
Acquisition and integration related expenses(c)	2,240	2,025	(1,079)	2,092	4,307
Restructuring and conversion costs	4,529	4,518	3,864	466	751
Debt extinguishment costs	—	4,916	—	—	—
Equity issuance and offering related costs(d)	—	—	—	—	3,986
Other	6,993	106	1,707	5,490	1,412
Total EBITDA Adjustments	15,915	14,765	7,394	10,879	13,813
Amortization of intangible assets(a)	6,004	6,027	6,032	6,041	6,152
Acquisition related benefit for a net operating loss carry-forward(e)	—	—	—	—	(1,265)
Adjusted Earnings	$ 59,550	$ 65,883	$ 68,143	$ 53,858	$ 52,999
Adjusted Earnings per share(f)	$ 0.56	$ 0.61	$ 0.64	$ 0.50	$ 0.47
Weighted average shares outstanding — diluted	105,705	107,695	107,297	108,644	111,877

Adjusted Earnings reconciliation

(a) Generally, EBITDA Adjustments and amortization of intangible assets have been tax effected using a federal rate of 35% and the applicable effective state rate, which was 3.30%, net of the federal tax benefit, for the periods presented, except as otherwise noted below.

(b) Represents the after-tax expense of non-qualified stock options for which the Company receives a tax deduction upon exercise, restricted stock awards for which the Company receives a tax deduction upon vesting, and the full expense impact of incentive stock options granted to employees that have vested and qualify for preferential tax treatment and conversely for which the Company does not receive a tax deduction. Share-based compensation for vesting of incentive stock options was $0.9 million, $1.1 million, $1.2 million, $1.3 million and $1.6 million for the three months ended September 30, 2013, June 30, 2013, March 31, 2013, December 31, 2012 and September 30, 2012, respectively.

(c) Represents the after-tax expense of acquisition and related costs for which the Company receives a tax deduction. The three months ended March 31, 2013 includes a $3.8 million reduction of expense related to the estimated fair value of contingent consideration for the stock acquisition of Concord that is not deductible for tax purposes.

(d) Represents the after-tax expense of equity issuance and offering costs related to the closing of a secondary offering in the second quarter of 2012. Results for the three months ended September 30, 2012 include the full expense impact of a $3.9 million charge relating to the late deposit of withholding taxes related to the exercise of certain non-qualified stock options in connection with the Company's 2010 initial public offering, that is not deductible for tax purposes.

(e) Represents the expected tax benefit available to the Company from the accumulated net operating losses of Concord that arose prior to its acquisition by the Company; such benefits were recorded in the third quarter of 2012.

(f) Represents Adjusted Earnings, a non-GAAP measure, divided by weighted average number of shares outstanding on a fully diluted basis. Set forth is a reconciliation of earnings per share on a fully diluted basis, as calculated in accordance with GAAP to Adjusted Earnings per share:

	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
			(unaudited)		
Earnings per share — diluted	$ 0.36	$ 0.42	$ 0.51	$ 0.34	$ 0.31
After-Tax:					
EBITDA Adjustments per share	0.14	0.14	0.07	0.10	0.12
Amortization of intangible assets per share	0.06	0.05	0.06	0.06	0.05
Acquisition related benefit for a net operating loss carry-forward per share	—	—	—	—	(0.01)
Adjusted Earnings per share	$ 0.56	$ 0.61	$ 0.64	$ 0.50	$ 0.47